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October 10, 2008



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Dear Sirs,

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We extend our sincere appreciation for your kind attention being given to our Company.

We are pleased to send you herewith a copy of our Press Announcement made here on October 10, 2008, which includes the Company's business results for the six-month period ended August 31, 2008.

Yours faithfully,

S. Kawashima

Susumu Kawashima
Divisional Manager
Finance Division
The Daiei, Inc.

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August 31, 2008 Summary of Consolidated Financial Statement (TRANSLATION)

October 10, 2008

The Daiei, Inc.

4-1-1, Minatojima Naka-machi

Chuo-ku, Kobe 650-0046, Japan

(URL <http://www.daiiei.co.jp/>)

- Securities code No.8263
- The Shares of the Company are listed on the first section of the Stock Exchange in Tokyo.
- Annual Closing date: The last day of February
- We adopt Interim dividends system and unit stock system; 1 unit = 50 shares.
- Representative: Toru Nishimi President
- Inquiries relating to this announcement should be made to:

Hideaki Shiraishi

Director and Divisional Manager

Accounting Division

Tel: +81-3-6388-7335

- Presentation of interim report: November 26, 2008

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TO THE BOARD OF DIRECTORS

1. Consolidated business results (from March 1, 2008 to August 31, 2008)

(1) Business results

| | Operating revenues | Operating income | Ordinary income | Net income |
|-------------------|------------------------|------------------------|------------------------|------------------------|
| | [In millions of yen] | [In millions of yen] | [In millions of yen] | [In millions of yen] |
| August 31, 2008 | 526,281 (12.3%) | 3,092 (40.0%) | 1,740 25.8% | 3,356 (92.7%) |
| August 31, 2007 | 600,381 (10.7%) | 5,155 (79.7%) | 1,383 (92.9%) | 46,033 244.7% |
| February 29, 2008 | 1,196,011 — | 14,442 — | 8,629 — | 40,210 — |

| | Net income per share - basic | Net income per share - diluted |
|-------------------|------------------------------|--------------------------------|
| | [In yen] | [In yen] |
| August 31, 2008 | 16.93 | — |
| August 31, 2007 | 232.50 | — |
| February 29, 2008 | 203.09 | — |

Notes

- (1) Percent indication of Operating revenues, Operating income, Ordinary income and Net income are rate of change for August 31, previous year.

| | |
|--------------------------------------|------------------------|
| (2) Equity in earnings of investees | [In millions of yen] |
| For the term ended August 31, 2008 | 568 |
| For the term ended August 31, 2007 | 142 |
| For the term ended February 29, 2008 | 132 |

(2) Financial condition

| | Total assets | Net assets | Shareholders' Equity Ratio | Equity per Share - basic |
|-------------------|------------------------|------------------------|----------------------------|--------------------------|
| | [In millions of yen] | [In millions of yen] | | [In yen] |
| August 31, 2008 | 501,401 | 197,263 | 39.3% | 993.34 |
| August 31, 2007 | 1,092,814 | 235,240 | 18.2% | 1003.32 |
| February 29, 2008 | 492,089 | 194,628 | 39.5% | 982.29 |

Note

| | |
|--------------------------------------|------------------------|
| Shareholders' equity | [In millions of yen] |
| For the term ended August 31, 2008 | 197,113 |
| For the term ended August 31, 2007 | 198,648 |
| For the term ended February 29, 2008 | 194,482 |

(3) Statement of cash flows [Increase (Decrease) in cash]

[In millions of yen]

| | Operating activities | Investing activities | Financing activities | Cash and cash equivalents at end of term |
|-------------------|----------------------|----------------------|----------------------|--|
| August 31, 2008 | 27,330 | 4,837 | (11,405) | 74,156 |
| August 31, 2007 | 1,114 | 89,501 | (103,336) | 113,629 |
| February 29, 2008 | 18,410 | 103,585 | (110,459) | 53,394 |

2. Statement of dividends

[In yen]

| (Record date) | Dividends per share | | |
|--|---------------------|-------------|-----------|
| | Interim end of year | End of year | Full-year |
| For the year ended February 28, 2008 | — | — | — |
| For the year ending February 28, 2007 | — | — | — |
| For the year ending February 29, 2009 (Forecast) | — | — | — |

3. Forecast of consolidated operations for the year ending February 28, 2009:

| | Operating revenues | Operating income | Ordinary income |
|-------------------|------------------------|------------------------|------------------------|
| | [In millions of yen] | [In millions of yen] | [In millions of yen] |
| February 28, 2009 | 1,050,000 (12.2%) | 9,000 (37.7%) | 5,000 (42.1%) |

| | Net income | Net income per share - basic |
|-------------------|------------------------|------------------------------|
| | [In millions of yen] | [In yen] |
| February 28, 2009 | 1,000 (97.5%) | 5.04 |

Note

Percent indication of Operating revenues, Operating income, Ordinary income, and Net income are rate of change for February 29, 2008.

4. Others

(1) Changes of consolidated subsidiaries [Specific subsidiaries' changes affecting consolidation] : none

(2) Changes of accounting principles, procedure, and expressions for consolidated financial statements

① We have changes caused by amendment of accounting principles.

② Changes except above : none

(3) Number of outstanding common shares

[In thousands of shares]

| | August 31, 2008 | August 31, 2007 | February 29, 2008 |
|---|-----------------|-----------------|-------------------|
| Outstanding shares (including treasury shares) | 122,598 | 122,598 | 122,598 |
| Treasury shares | 604 | 1,048 | 1,050 |

(Reference) Summary of unconsolidated business results

I. Unconsolidated business results (from March 1, 2008 to August 31, 2008)

(1) Business results

| | Operating revenues | Operating income | Ordinary income | Net income |
|-------------------|------------------------|------------------------|------------------------|------------------------|
| | [In millions of yen] | [In millions of yen] | [In millions of yen] | [In millions of yen] |
| August 31, 2008 | 418,818 0.4% | 390 (62.6%) | 1,962 186.9% | 2,582 (94.5%) |
| August 31, 2007 | 417,340 (5.9%) | 1,043 18.5% | 684 126.5% | 47,337 310.2% |
| February 29, 2008 | 836,008 — | 1,410 — | 779 — | 33,136 — |

| | Net income per share - basic |
|-------------------|---------------------------------|
| | [In yen] |
| August 31, 2008 | 13.01 |
| August 31, 2007 | 238.55 |
| February 29, 2008 | 166.98 |

Note

Percent indication of Operating revenues, Operating income, Ordinary income, and Net income are rate of change for August 31, previous year.

(2) Financial condition

| | Total assets | Net assets | Shareholders' Equity Ratio | Equity per Share - basic |
|-------------------|------------------------|------------------------|-------------------------------|-----------------------------|
| | [In millions of yen] | [In millions of yen] | | [In yen] |
| August 31, 2008 | 460,827 | 185,557 | 40.3% | 935.10 |
| August 31, 2007 | 499,617 | 197,179 | 39.5% | 993.64 |
| February 29, 2008 | 468,575 | 183,989 | 39.3% | 927.19 |

2. Forecast of unconsolidated operations for the year ending February 28, 2009 :

| | Operating revenues | Operating income | Ordinary income |
|-------------------|------------------------|------------------------|------------------------|
| | [In millions of yen] | [In millions of yen] | [In millions of yen] |
| February 28, 2009 | 840,000 0.5% | 3,000 112.8% | 4,000 413.3% |

| | Net income | Net income per share - basic |
|-------------------|------------------------|------------------------------|
| | [In millions of yen] | [In yen] |
| February 28, 2009 | 500 (98.5%) | 2.52 |

Note

Percent indication of Operating revenues, Operating income, Ordinary income, and Net income are rate of change for February 29, 2008.

*As the above forecasts are based on the information available as of the date of this announcement, actual result is subject to the various factors in future.

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